

Date: January 5, 2010

To: Thomas J. Bonfield, City Manager
Through: Theodore L. Voorhees, Deputy City Manager
Mark D. Ahrendsen, Transportation Director
Stephen A. Mancuso, Transit Administrator
From: Pierre Osei-Owusu, Sr. Transportation Planner

Subject: Sole Source Purchase – DATA Bus Fareboxes

Executive Summary

The City is in the process of receiving twenty (20) new hybrid electric buses purchased from the Gillig Corporation. Ten of these buses must be outfitted with new fareboxes (the remaining ten will be outfitted with existing fareboxes). For compatibility reasons these additional fareboxes must be the GFI Odyssey models to match the existing fareboxes and related software programs used on all 62 buses. The existing fareboxes were procured through a State contract and under a regional consolidated purchasing, maintenance and repair agreement by TTA, DATA and CAT. GFI is the sole source manufacturer of these fareboxes and there are no distributors from whom these fareboxes can be purchased as GFI only sells direct to customers.

Recommendation

It is recommended that City Council approve the purchase of ten (10) GFI fareboxes for use on the DATA buses without competitive bidding as authorized by G.S. 143-129 (e) (6) “on the grounds that the product is available from only one source of supply.” It is also recommended that the City Manager be authorized to enter into a contract agreement with GFI GENFARE, in the amount of \$121,200.00 for providing the City with ten (10) fareboxes.

Background

City of Durham is in the process of receiving twenty (20) new hybrid electric buses that have been purchased from the Gillig Corporation. Ten of these buses are scheduled to replace ten of the current fleet while the remaining ten are for expansion purposes. The City needs to purchase ten (10) additional fareboxes to be installed in the ten expansion buses. Currently, all 62 DATA buses are equipped with GFI fareboxes that were procured through a State contract under a regional consolidated purchasing agreement by TTA, DATA and CAT. GFI is the sole source manufacturer of these fareboxes. There are no distributors from whom these fareboxes can be purchased as GFI only sells direct to customers.

Issues/Analysis

Making purchases without competitive bidding is allowed in certain instances under North Carolina law. North Carolina General Statute 143-129(e) (6) allows an exception to the bidding process. The exception reads as follows:

“ Exceptions. – The requirements of this Article do not apply to: Purchases of apparatus, supplies, materials, or equipment when: (i) performance or price competition for a product are not available; (ii) a needed product is available from only one source of supply; or (iii) standardization or compatibility is the overriding consideration. The governing board shall keep a record of all purchases made pursuant to this subdivision. These records are subject to public inspection.”

GFI is the sole source manufacturer of this type of farebox. There are no distributors from whom these fareboxes can be purchased as GFI only sells direct to customers. And the City must purchase these fareboxes from GFI if the fareboxes are to be compatible with all existing fareboxes and software.

Alternatives

City Council can approve of the sole source purchase as recommended or it can decide not to purchase any additional fareboxes, in which case there will be ten (10) buses in revenue service with no means of collecting fares. For this reason, the latter alternative is not recommended.

Financial Impact

Funding for this product is available from a Federal ARRA Grant (Project UAR02, 5399U00R, 732312), which is 100% federally funded. No City funding is required.

SDBE Summary

This is a sole source contract. The Department of Equal Opportunity/Equity Assurance did not conduct a compliance review in accordance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

Workforce Statistics

Workforce statistics for GFI GENFARE are as follows:

Total Workforce	125	
Total Females	30	(24%)
Total Males	95	(76%)
Black Males	3	(2%)
White Males	65	(52%)
Other Males	27	(22%)
Black Females	3	(2%)
White Females	20	(16%)
Other Females	7	(6%)